

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LP-1697

For: State and County Offices

1997-1998 Crop Wheat Karnal Bunt Compensation for Affected Southwest Producers

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

In the fall of 1998, APHIS issued Emergency Action Notifications (EAN's) to affected producers and handlers in the Southwest, temporarily quarantining wheat because of the presence of Karnal bunt-like spores.

The provisions of the 1998 Supplemental Appropriations and Recission Act provided \$543,000 for compensation to eligible wheat producers, handlers, and seed companies who had wheat stored in a storage facility that was subjected to EAN relating to the presence or presumed presence of Karnal bunt.

Producers, handlers, and seed companies in Arizona, California, and New Mexico are eligible for compensation for:

- 1997-1998 crop season wheat, which includes wheat grain, certified wheat seed, and wheat grown with the intention of producing certified wheat seed
- wheat inventories in their possession that were unsold at the time EAN was issued.

B

Purpose

This notice provides procedures for issuing 1997-1998 Karnal bunt compensation payments to eligible wheat producers, handlers, and seed companies in the Southwest.

Disposal Date	Distribution
December 1, 2000	State Offices; State Offices relay to County Offices

2 Definitions

A

Handler

Handler, for Karnal bunt payment purposes, means the first entity to obtain wheat from producers for resale to other handlers or end users.

B

Actual Price Received

The actual price received is the net price after adjustments for any premiums or discounts stated on the sales receipt.

Note: Any deductions for wheat check-off, sampling fees, or other fees for service rendered should be added to the actual price received by the producer, handlers, or seed company.

3 Compensation for Producers, Handlers, and Seed Companies

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Determining Eligibility

For producers, handlers, and seed companies to be eligible for compensation for the loss in value of their wheat grain or seed, it must have been stored in a storage facility that was subject to EAN relating to the presence or presumed presence of Karnal bunt.

For wheat seed eligibility, the seed must also have been grown as certified seed or was grown with the intention of producing certified wheat seed.

B

Compensation

Producers, handlers, and seed companies who sold their wheat are eligible for compensation if the wheat is eligible according to subparagraph A.

For growers, handlers, and seed companies in previously regulated areas, compensation for positive grain or seed will be \$.60 per bushel.

Growers, handlers, and seed companies in areas under the first regulated crop season will be eligible for compensation at a rate not to exceed \$1.80 per bushel.

Note: If the producer is unable to provide documentation to support that the seed was a public or private variety, compensation shall be calculated as for grain.

4 Compensation Requests

A Requesting Compensation

To request compensation, the wheat producer, handlers, and seed company shall:

- make the request in the County Office for the regulated area
 - make the request on or before October 25, 1999
 - complete PPQ-926
 - provide the Federal tax ID number for IRS reporting purposes
 - provide the documentation according to this paragraph.
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B Documentation Required

Producers, handlers, and seed companies shall provide the following documentation to the County Office to support their request for compensation available according to this notice:

- copy of EAN or formal letter issued by APHIS
- copy of receipt for sale of wheat showing:
 - total bushels sold
 - total price received by producer, handlers, or seed company for sale of the wheat
- verification as to actual, not estimated, weight of the sale, such as a facility weight ticket, or other verification
- for **seed claim requests**, additional documentation showing that the wheat is either of the following:
 - seed including Breeder, Foundation, or Registered seed
 - was grown with the intention of producing certified seed

Note: This documentation may include **1 or more** of the following:

- document issued by the State seed certification agency verifying that the **wheat is certified seed**
 - bulk sale certificate
 - certification tags or labels issued by the State seed certification agency
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4 Compensation Requests (Continued)

B

Documentation Required (Continued)

- applications to the State seed certification agency for field inspection that shows the seed is eligible for certification.
 - for seed claim requests, documentation showing the seed is a public or private variety
 - for requests that include **inventory quantities**:
 - certify to the inventory quantity
 - certify that the wheat was in the claimant's possession **before** issue date of EAN or formal letter issued by APHIS, as applicable.
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5 County Office Action

A

Accepting Requests

County Offices shall:

- notify affected producers, handlers, or seed companies of the contents of this notice
- Note:** A list of names and addresses of producers, handlers, and seed companies will be sent under separate cover to applicable State Offices.
- accept request for compensation through October 25, 1999, from eligible producers, handlers, and seed companies
 - assist producers, handlers, and seed companies in completing PPQ-926
 - review the following documents for required information, as applicable, according to paragraph 4:
 - a copy of receipt for sale
 - verification of weight or quantity
 - documentation to support the seed is certified or eligible for certification
 - documentation showing the seed is a public or private variety
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5 County Office Action (Continued)

A

**Accepting
Requests
(Continued)**

- retain documents applicable to Karnal bunt compensation for 5 years from day of compensation
- advise producers, handlers, and seed companies that requests will not be accepted after October 25, 1999, because of the funding limitation addressed in subparagraph D.

Reminders: It is the producer's, handlers's, or seed company's responsibility to provide sufficient sales documentation.

If a final sales document is not clear, especially concerning discounts applied, ask for an explanation and additional documentation, as applicable.

For requests received involving issues not addressed in this notice, County Offices shall:

- continue to accept requests from producers, handlers, and seed companies
- obtain as much detailed information from them as possible to support their claim
- submit these claims to PSD through the State Office.

The submitted claim request files will be reviews by PSD and an APHIS representative. Upon completion of the review of the files and any additional documentation that may be requested, determination will be made and remanded to the County Office for payment or additional action as necessary.

B

**Determining
Amount of
Compensation**

County Offices shall complete PPQ-927 to determine the amount of compensation available for each request, based on the information provided by the wheat producer, handler, or seed company, as applicable

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5 County Office Action (Continued)

**C
Monthly
Summary**

County Offices accepting compensation requests according to this notice shall:

- prepare and maintain a manual list indicating the following information:
 - producer, handler, or seed company name
 - Federal tax ID number for IRS reporting purposes
 - number of bushels per request
 - amount of payment determined due the producer, handler, or seed company
 - State and county where request is made
- provide to the State Office, before November 16, 1999, the above applicable information.

The State Office shall:

- compile the information submitted by County Offices for the monthly summary
 - FAX the monthly summary to PSD at 202-690-3307 before December 7, 1999.
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**D
Funding**

Because the spending authority is limited to \$87,000, payment can be issued only after the request period has ended and, if necessary, a factor has been determined.

Information concerning the determination of a factor will be issued after the request period has ended.

**E
APHIS Forms**

PSD shall issue a supply of PPQ-926's and PPQ-927's to the State Office for distribution to the applicable County Offices.

The State Office shall request an additional supply of forms from PSD, as needed.
